DOCUMENT RESUME

ED 258 630 JC 850 343

AUTHOR	Phillips, Roy G.
TITLE	Federal Support for Higher Education: A Position Perspective.
INSTITUTION	Miami-Dade Community Coll. District, FL.
PUB DATE	[85]
NOTE	32p.
PUB TYPE	Viewpoints (120) -- Reports - Descriptive (141)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Budgeting; *Community Colleges; *Educational Legislation; Educational Quality; *Federal Aid; *Financial Policy; *Financial Problems; *Financial Support; *Government School Relationship; *Higher Education; Retrenchment; School Support; *Student Financial Aid
IDENTIFIERS	*Florida

ABSTRACT

An analysis is provided of the role of the federal government in higher education and the kinds and level of financial support the federal government should provide. Introductory material reviews recent changes to the prevailing federal policy over the past 25 years and discusses the policy issues raised by current efforts to reduce the federal deficit. Section II offers a historical perspective on the federal role in higher education, focusing on Pell Grants, the Guaranteed Student Loan Program, campus-based aid, Trio programs, and other postsecondary education programs. Section III looks at the utilization of federal funds by Miami-Dade Community College (M-DCC). This section begins with an overview of enrollments and student characteristics at the college, followed by information on federally supported student financial aid, eligible financial aid applicants, and M-DCC's Talent Search Grant programs and participants. Section IV considers the impact of the Reagan Administration's budget cuts on access, choice, and the quality of higher education, focusing on the eroding value of student assistance, delays in the financial aid schedule, and the impact on institutions and the economy. Finally, section V states M-DCC's support for national policies that enhance equal access and quality education at each level of the educational hierarchy. Excerpts from the "Higher Education Agenda for the 99th Congress" and "1985 American Association for Community and College Colleges Public Policy Agenda" are appended. (HB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
R. G. PHILLIPS
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☐ This document has been reproduced as received from the person or organization originating it.
☒ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

ED258630

FEDERAL SUPPORT FOR HIGHER EDUCATION
A POSITION PERSPECTIVE

JC 850 343

ROY G. PHILLIPS
VICE PRESIDENT
OFFICE OF PUBLIC AFFAIRS

Miami-Dade Community College District
11011 Southwest 104th Street • Miami, Florida 33176

TABLE OF CONTENTS

I. Introduction 1

II. Federal Role in Higher Education 3

A. Pell Grants 3

B. Guaranteed Student Loan 5

C. Campus-Based Aid 8

D. Trio Programs 8

E. Other Post-Secondary Education Programs 10

III. M-DCC Utilization of Federal Funds 11

A. Enrollment and Student Characteristics 11

B. Student Financial Aid 12

C. Eligible Financial Aid Applicants 13

D. Eligible Financial Aid Applicants By Income 15

E. Talent Search 16

IV. Impacts of Reagan Budget Cuts 19

V. Policy Recommendations 21

VI. Appendices 22

VII. References 26

VIII. Acknowledgements 27

LIST OF TABLES

Table I
M-DCC Fall 1984 Enrollment ..... Page 12

Table II
Percentage Student Financial Aid by Funding Category ..... Page 13

Table III
Eligible Financial Aid by Family Income ..... Page 14

Table IV
Eligible Financial Aid by Income Categor ..... Page 15

Table V
Financial Aid by Ethnic Category ..... Page 17

Table VI
Talent Search ..... Page 18

INTRODUCTION

Educational opportunity, a part of the ethos of the American educational system, has traditionally represented the hope of millions of Americans for upward mobility. Educational opportunity has provided significant benefits to the individual and society as a whole.

Federal policy for the past two and a half decades has not only been to enable students access to an education beyond high school but also to provide the choice of education best suited to his/her interests and talents. While this goal has been imperfectly achieved, the policies in the last 25 years have been clearly moving in the direction of providing increasing access and choice to low income students as well.

In passing the Higher Education Act of 1965, Congress recognized that financial aid alone would not necessarily open the doors of higher education to all qualified. Therefore, the Act authorized other programs to provide both student and institutional assistance.

It appears that this policy has eclipsed with the budget proposals of the Reagan Administration as steps for reducing the massive federal deficit. These policy trends undoubtedly will have some impact upon access, choice, and the quality of education in many of our public and private institutions of higher education. The escalating federal deficit has provided the foundation for reexamining the role of the federal government in education. As a result, the current administration has raised key public policy issues relating to a continuation of federal support for education. These policy issues have surfaced and reached a climax within the last five years. The emerging policy questions appear to revolve around the following:

- What should be the future role of the federal government in education?

- What, if any, should be the kind and level of support?
- What programs have worked in accordance with rigorous standards of cost benefit analysis?
- What can we afford now and in the future?

The underlying theme of these policy issues has established a firm direction for reexamining all federal expenditures during each fiscal year. The question of both quality and accountability is high on the administration's list for cutting back on educational expenditures. To insure that these issues are properly addressed, the higher education community must play a crucial role in providing the leadership for maintaining access and quality in higher education. It is within the context of these crucial policy issues that this paper is presented.

In order that the reader may obtain some historical perspective of the role of the federal government in higher education and the impact these funds have on college programs, the following areas will be discussed:

- An historical perspective of the federal role in higher education;
- Utilization of federal funds within a model community college system;
- Potential impact of proposed budget policy issues; and
- Policy recommendations

THE FEDERAL ROLE IN HIGHER EDUCATION: AN HISTORICAL PERSPECTIVE

The federal government's historical commitment to assisting individuals in pursuing higher education has been consistent with the equal educational opportunity policy as promoted by community, technical, and junior colleges at the present time. This has been a foremost priority of the American Association of Community and Junior Colleges, whose member colleges have been the opportunity institutions for millions of American citizens, providing excellent educational programs for students.

The role of the federal government in assisting individuals in pursuing higher education commenced with the GI Bill at the end of the second world war. It expanded in 1958 as a direct response to the Soviet Union's perceived scientific and technological superiority - as evidenced by the launching of the Sputnik. This action spurred the creation of the National Defense Student Loan program to stimulate the study of subjects critical to the national defense (i.e., math, science, and foreign languages at the post-secondary level). Since then, several financial assistance programs have been established to aid students in their attainment of higher education regardless of the field of study.

For the past five years the Reagan Administration has proposed initiatives to reduce federal student financial assistance by reshaping or eliminating the various programs. The usual vehicle for these efforts has been the Administration's budget recommendations. A careful review of the federal assistance to student aid will provide some basis for future policy trends.

Pell Grants

Historically, Pell Grants, formerly known as Basic Education Opportunity Grants, have been the foundation of federal student aid. All other programs have been supplementary to the Pell Grants.

In fiscal year 1981, Congress authorized Pell Grant appropriation levels of $2.65 billion for fiscal year 1982, $2.8 billion for fiscal year 1983, and $3.0 billion for fiscal year 1984. It also required the Secretary of Education to establish a series of assessment rates to be applied to discretionary parental income.

Beginning in 1983, Pell Grant funding was reduced by $1.2 billion from FY 1981 levels. The policy direction that was established at that time was an intent to eliminate all except the very poor and near poor from the program. Under this proposal, low income students would have been limited to only low cost public institutions or would have had to borrow heavily under the Guaranteed Student Loan program, a program in which low income students have traditionally experienced difficulty in obtaining funds. This proposal was rejected by the Congress. However, it established a consistent policy direction that the administration would continue to pursue in succeeding years.

Similar budget proposals were again presented by the Administration during the 1984 budget. The new policy directions emphasized student self-help through loans and work. Major increases in the Pell and campus-based programs were proposed. Under these new policy initiatives, self-help grants were intended to replace Pell Grants, Supplemental Educational Opportunity Grants, and State Student Incentive Grants. Additionally, a student would have had to provide a portion of his/her educational cost. This policy trend was intended to reverse the historic role of Pell Grants as the basis of student aid. Again, the Congress rejected these proposals.

During the current fiscal year, the Administration is proposing to reduce the maximum grant from $2,100 to $2,000 and limit the amount of the grant to no more than 50 percent of the cost of attendance due to a projected $450 million shortfall in the Pell Grant program this year. Currently, there is no

intent to request a supplemental appropriation. The impact of this decision would reduce $100 from the awards of approximately 150,000 of the neediest students receiving the maximum award. It would also reduce by 17 percent the awards of another 650,000 of these needy students on partial grants. This constitutes a total of 800,000 of the nation's lowest-income students. From these facts, it would appear that the Administration's announcement that student aid grants should be limited to assist the most needy students is in direct opposition with policy recommendations.

The 1986 fiscal year Pell Grant recommendations are a continuation of the policy trends of the Reagan Administration. Again, the Administration proposes to increase the proportion of discretionary income to be contributed by the family to the student's education. It would not count the living expenses of the student from whom the aid is sought in determining the offset against family income. These changes combined with the $800 self-help requirement, the independent student definition change, and the $25,000 cap on income would result in a $632 millions reduction in funds and an 808,000 reduction in recipients. These reductions would establish a base for the reauthorization of the 1980 Higher Education Act that will sunset at the end of the 1985 fiscal year. This impact will have a long term effect over the next five years.

Guaranteed Student Loan

While the Pell Grant program is used more heavily by low income minority students, the Guaranteed Student Loan program is used more heavily by middle income European American students. In fact, a survey of the role of financial aid in access to post-secondary education for different ethnic groups in New York state showed that European Americans received 86 percent of the GSL loan dollars compared to eight percent for African Americans, four percent for Hispanic Americans and two percent for Asian Americans.

The Administration began in its revised 1982 fiscal year budget to try to limit access to Guaranteed Student Loans (GSL). The result was that students with adjusted gross family incomes above $30,000 were required to demonstrate need in order to receive a Guaranteed Student Loan and a five percent origination fee was charged on all GSLs. The fee was to be deducted from the loan the student received and was applied against a combination of the special allowance and the interest subsidy which the government paid to lending institutions. A $1,000 minimum loan was established when at least a $500 need was shown. For remaining need of less than $500, the loan size was limited to the amount of need. Veteran benefits and social security benefits were used to compute need for GSLs. Independent undergraduate student loans were limited to a loan maximum of $2,500. Interest rates on auxiliary loans were increased from nine percent to 14 percent with provision to drop the rate if the 91 day Treasury Bill rate dropped below 12 percent for one year. Independent undergraduate students and graduate students were allowed to borrow under the ALAS (Auxiliary Loan Assistance to Student) program.

In addition to the above changes, social security student benefits were reduced by a total of $2.4 billion. The Administration eliminated new benefits for students not enrolled full-time in post-secondary education prior to May, 1982. It also eliminated cost-of-living adjustments for all eligible beneficiaries after August, 1981, and discontinued summer school benefits for post-secondary students. Finally, it reduced by 25 percent the benefits for all remaining beneficiaries in August, 1982, and eliminated all benefits in June, 1985.

Similar proposals to reduce access to the Guaranteed Student Loan program were advanced in 1983 and 1984; however, Congress failed to enact the President's request.

For the current year, the administration is proposing a number of modifications that are designed to limit access. They are:

- Reducing the yield paid to lending institutions from 3.5 percent above the three month Treasury Bill to 1.5 percent while the student is in school and three percent during the repayment period;

- Changing the interest rate of GSLs from the current eight percent to a variable rate equal to the bond equivalent of the three-month treasury bill rate;

- Reducing the rate of reinsurance paid to guarantee agencies from 100 to 90 percent with the rate dropping to 70 percent if the agency's default rate exceeds five percent and 50 percent if the rate exceeds nine percent.

The current shortfall in the 1985 Guaranteed Student Loan program and insufficient supplemental request of $644.8 million for FY 1985 is not enough to pay for advances and administrative cost allowances for loan commitments made after September 30, 1984. The result is that guarantee agencies, which have relied upon these sources of income, will be unable to continue their operations. It should be noted that when the federal government encouraged state governments to create guarantee agencies, they assured the states that they would not be expected to contribute financially to the operation of the agencies. A retreat from this position will cause many of the small guarantee agencies major financial difficulties.

In fiscal year 1985, the administration proposes to increase the amount that can be borrowed under the Parent Loan Undergraduate Student program (PLUS) to $4,000 and to charge an interest rate equal to the three month Treasury Bill plus three percent. The $32,500 income cap applied to the GSL program would not apply to the PLUS program. The Administration seems to believe that the PLUS program can replace the aid being lost by the proposed $4,000 mega-cap. What it fails to mention is that to be eligible for a PLUS loan a student or family must undergo a credit check. Many low income families would not be able to qualify for these loans.

Considerable opposition to these proposals has begun to mount from the independent proprietary colleges that depend upon the GSL program for educational cost at their higher cost institutions. As a result of this opposition, the Republican leadership in the Senate has proposed to increase the income cap from $32,500 to $60,000 and raise the $4,000 mega-cap to $8,000.

Campus-Based Aid

There are a number of campus-based aid programs funded by the federal government. These include the College Work Study, State Student Incentive Grants, Supplemental Educational Opportunity Grants, and National Defense Student Loans.

Since 1983, the President has proposed to eliminate the Supplemental Educational Opportunity Grants and federal contribution to the National Defense Student Loan program. Congress has failed to enact these proposals.

During the 1984 and 1985 fiscal year, the President proposed to increase work study by folding the SEOGs into work study as a self-help grant program.

The administration's budget proposals for fiscal year 1986 suggest the elimination of the state Student Incentive Grant program and any new federal capital contribution for the National Defense Student Loan program. As a result, approximately 448,000 fewer awards will be available.

In addition to eliminating the federal contribution to the NDSL program, the budget also proposes to raise the interest rate on loans from the current five percent to a variable rate determined by the average Treasury Bill rate per year. The interest rate on NDSLs has always been maintained at a low rate because it is used by very low income students who would suffer from repayment of loans at high interest rates.

Trio Program

In the past two decades, the federal government has taken major steps to help disadvantaged people participate more fully in the nation's economic

and social life, including the opportunity to get a college education. While authorizing programs of financial aid for students, Congress recognized that the disadvantaged face unique problems that decrease their probability of even considering enrollment in post-secondary institutions. Three programs, Talent Search, Educational Opportunity Centers, and Special Services for the Disadvantaged emerged under the Higher Education Act to provide information, counseling, encouragement, tutorial assistance and other support to low-income youth and adults to improve their chances of college enrollment and retention.

In 1966, Congress appropriated $2 million to fund 42 experimental Talent Search projects under the Higher Education Act. The average Talent Search grant size of $49,000 in the first year permitted projects to serve a total of 50,000 clients at an average cost of $42 per client. The program grew to its peak of 167 projects, serving nearly 200,000 people with an allocation of 17 million or $85 per client.

In addition to Talent Search, the educational amendments of 1972 established the Educational Opportunity Centers; $3 million supported 12 Educational Opportunity Centers nationwide in fiscal year 1974 to promote post-secondary education throughout communities with low income populations. These centers are geared mainly to serve low income adults in a long term fashion. In 1983, 33 EOCs served approximately 109,000 individuals.

In fiscal year 1986, the administration proposes to reduce Trio funding by 53 percent. As a result, 380,000 students would be eliminated from the program. The evidence has shown that high school students who enroll in Upward Bound, one of the Trio programs, are four times as likely to graduate from college as similar students who do not participate in the program. The President's proposal would have the following impact:

- The 167 Talent Search and 33 Educational Opportunity Center projects would be eliminated. These serve 294,000 students. Twenty percent of all Black and Hispanic students receive assistance through this program. These cuts would be made during a period when Black and Hispanic student enrollments are on the decline in higher education;
- Funds for special support services for students would be pared by 43 percent, eliminating 70,000 students from assistance in the area of counseling, tutoring and college preparatory work;
- Two hundred of the 421 Upward Bound projects would be shut down, eliminating assistance to 15,600 students.

These proposed cuts in other programs funded through the Higher Education Act of 1980 attest to the administration's retreat from assisting higher education.

Other Post-Secondary Education Programs

The other higher education programs - libraries, international education, cooperative education, graduate studies, college facilities and loans, institutional development, and fund for the improvement of post-secondary education (FIPSE) received relatively constant funding from 1981 through 1985, although the administration's budget requests repeatedly sought to reduce or eliminate funding for them. The administration has again proposed to reduce drastically some of these programs while totally eliminating others.

These policy trends clearly indicate that the role of the federal government in its support for higher education is on the decline. The administration advocates the complete delegation of the education function to the state, thus removing the federal government from its historical presence in education.

Despite charges from the administration that many of these programs cannot demonstrate a proven track record, facts do not bear this out. Miami-Dade Community College provides a model example regarding the effective use of federal funds.

MIAMI-DADE COMMUNITY COLLEGE
A MODEL UTILIZATION OF FEDERAL FUNDS

Enrollment and Student Characteristics

Miami-Dade Community College, graduating its 100,000th graduate in May, 1985, was selected as the premier American Community College in March of 1985 by a national study conducted by a panel of experts from the University of Texas. This national designation as the number one American Community College came as a result of the College's ability to serve effectively its diverse student population. Miami-Dade Community College exemplifies educational excellence and access during a period when many other colleges have increased their academic standards at the price of excluding many of its low income disadvantaged students.

Miami-Dade Community College has more minority and disadvanted students than any college in America; one out of every 200 students receiving a Pell Grant in the United States during 1981-82 was attending Miami-Dade Community College!

During its twenty-five year history approximately one million students have attended Miami-Dade.

At the close of 1984-85 fall term, approximately 41,427 credit students were enrolled at each of the College's four campuses. Table I shows a breakdown by ethnic category.

Table I

Fall 1984 Enrollment by Ethnic Category

ETHNIC CATEGORY	NUMBERS	PERCENT
American Indian or Native Alaskan	97	0.2
Asian or Pacific Islander	740	1.8
Black Non-Hispanic	6,516	15.7
Hispanic	21,065	50.8
White Non-Hispanic	12,999	31.4
Undesignated	10	--
	41,427	100

Source: Institutional Research Report: No. 85-05

Student Financial Aid

Ethnic minorities account for approximately 68.5 percent of the fall 1984 enrollment. Due primarily to the students' low income status, the College depends heavily upon the Pell Grants, the Guaranteed Student Loan and campus-based aid programs for student financial assistance. During the 1983-84 fiscal year, the College received a total of $13.7 million for financial assistance to students. Table II shows a percentage distribution of student financial aid by program funding category at Miami-Dade Community College.

Table II

Percentage Distribution of Student Financial Aid
By Program Funding Category

PROGRAM CATEGORY	AMOUNT	PERCENT
Pell Grants	$7,532,739	55.0
Guaranteed Student Loan	1,811,971	13.0
Campus-Based Aid	4,346,836	32.0
Total	$13,691,546	100

Source: Financial Assistance to Students In Institutions of Higher Education, 1983-84

Table II shows that Pell Grants constitute 55 percent of the student aid at Miami-Dade, whereas the campus-based aid programs and Guaranteed Student Loans constitute 32 percent and 13 percent respectively. This percentage distribution demonstrates the low and moderate income characteristics of the majority of students who attend Miami-Dade and the need for continuing federal financial student assistance to provide access to higher education.

ELIGIBLE FINANCIAL AID APPLICANTS AT M-DCC FOR 1983-84 FISCAL YEAR BY FAMILY INCOME

As previously stated, the new proposals would grant aid only to students falling below specified income levels. For example, Pell Grants, National Direct Student Loans, and Work Study funds would be restricted to students whose families earn less than $25,000 per year. Only students whose famiiies earn less than $32,000 per year would be eligible to receive Guaranteed Student Loans.

A review of the income characteristics of eligible financial aid applicants categorized by family income for 1983-84 at Miami-Dade provides an overview

of how financial aid students at Miami-Dade may be impacted by the administration's proposals. Table III categorizes eligible financial aid applicants at M-DCC in the 1983-84 fiscal year by income bracket.

Table III

Eligible Financial Aid Applicants for M-DCC for 1983-84 Fiscal Year
Categorized by Family Income Bracket

INCOME BRACKET	NUMBER	PERCENT	CUMULATIVE PERCENT
$ 0 - 2,999	2,285	25.0	25
3,000 - 5,999	1,149	12.0	37
6,000 - 8,999	1,213	13.0	50
9,000 - 11,999	1,082	12.0	62
12,000 - 14,999	921	10.0	72
15,000 - 17,999	774	8.0	80
18,000 - 20,999	594	6.0	86
21,000 - 23,999	460	5.0	91
24,000 - 26,999	318	3.0	94
27,000 - 29,999	179	2.0	96
30,000 - 32,999	124	1.0	97
33,000 - 35,999	59	.6	98
36,000 - 38,999	29	.3	98
39,000 - 41,999	39	.4	98
42,000 - 44,999	13	.1	99
45,000 - Above	60	.1	100

Source: Applications and Fiscal Report (FISAP)

A review of Table III indicates that at least 94 percent of eligible aid applicants reported family incomes of less than $25,000 per year. At least 96 percent of the eligible student's family income was reported to be below the $32,500 levels. This must be examined carefully since the Administration is proposing to increase the proportion of discretionary income to be contributed by the family to the student's education. It would not count the living expenses of the student by whom the aid is sought in determining the offset against family income.

Similarly the Reagan proposals would also deny eligibility to any independent student under the age of 22. Table IV presents a similar scenario for eligible independent financial aid applicants at M-DCC for 1983-84 by income category.

ELIGIBLE INDEPENDENT FINANCIAL AID APPLICANTS AT M-DCC FOR 1983-84 BY INCOME CATEGORY

Table IV reveals that only five percent of the economically self-supporting aid applicants reported an income greater than $15,000. From this data it would appear that since about five percent of all aid applicants at M-DCC fall below the proposed criteria, the impact should be minimal. This assumption does not take into consideration that of the approximately 6,997 eligible independent students filing for aid, approximately 37 percent reported a marital status of married or separated with an average family size of 2.3 children.

Table IV

Eligible Independent Financial Aid Applicants At M-DCC for 1983-84 Fiscal Year by Income Category

INCOME BRACKET	NUMBER	PERCENT	CUMULATIVE PERCENT
$ 0 - 999	1,649	24	24
1,000 - 1,999	500	7	31
2,000 - 2,999	611	9	40
3,000 - 3,999	352	8	48
4,000 - 4,999	494	7	56
5,000 - 5,999	430	6	62
6,000 - 6,999	485	7	69
7,000 - 7,999	376	5	74
8,000 - 8,999	307	4	78
9,000 - 9,999	280	4	82
10,000 - 10,999	224	3	83
11,000 - 11,999	175	3	88
12,000 - 12,999	190	3	91
13,000 - 13,999	114	2	93
14,000 - 14,999	109	2	95
15,000 - Above	451	6	100

Source: Application and Fiscal Operations Report (FISAP)

Because of the strong need-based component of the financial aid system at Miami-Dade, discussion of differential participation in the system by the various ethnic groups is strongly tied to variations in income level. In general as shown by Table V, minorities including Blacks and Hispanics, are much more dependent upon financial aid than their White non-Hispanic student counterparts. Table V illustrates that because of their low income, minorities, mainly Blacks and Hispanics receive more need-based grant than their White counterparts, who because of their higher income status receive a greater number of Guaranteed Student Loans. However, when both grants and loans are considered, the average total amounts of financial aid received do not differ dramatically by ethnicity.

The impact of student financial aid at Miami-Dade has made a significant difference in terms of college enrollment and persistence. While limited studies of student financial aid and persistence in college have been conducted, the limited research does demonstrate that receipt of student financial assistance appears to have a small positive impact on persistence in college; whereas the denial of student aid to non-recipients from higher socio-economic backgrounds appears to have a small negative impact on the educational attainment of the group. A follow-up survey of Talent Search students at Miami-Dade demonstrates positive gains by those in receipt of financial assistance. Table VI provides an overview of the results of the Talent Search program during the past 15 years.

Talent Search

The College received its first Talent Search Grant during the 1970-71 fiscal year. The program started with approximately 350 low income students with a federal grant of $40,000. By 1984-85 the program had served approximately 14,956 students at a cost of approximately $852,609 in terms of federal funds allocated. The average cost per student is approximately $57.

Table V

Distribution of Financial Aid by Ethnic Category at M-DCC (1982-83)

	ETHNIC CATEGORY					
	Black Non-Hispanic	American Indian or Alaskan Native	Asian or Pacific Islander	Hispanic	White Non-Hispanic	Overall
Number and Percent of Total Enrollment	10,517 (16%)	127 (.2%)	1,008 (1.6%)	31,020 (47%)	22,702 (35%)	65,393 (100%)
Percent of Ethnic Receiving Aid	38%	15%	13%	26%	8%	21%
Grants						
Number of Recipients	3,087	15	105	6,404	1,285	10,896
Dollar per Recipients	$ 915.53	$ 994.53	$ 375.13	$ 884.27	$ 918.08	$ 896.59
Percent of Grant Dollars	29%	.2%	.8%	58%	12%	100%
Loans						
Number of Recipients		1	8	312	234	797
Dollars per Recipients	$1,769.42	$2,500.00	$1,139.38	$1,712.52	$1,895.63	$1,778.72
Percent of Loan Dollars	30%	.2%	.8%	38%	31%	100%
Student Employment						
Number of Workers	882	3	25	1,304	259	2,473
Dollars per Worker	$1,093.36	$1,055.33	$1,031.76	$1,136.30	$1,031.36	$1,108.83
Percent of Worker Dollars	35%	.1%	.9%	54%	10%	100%
Total Financial Aid						
Number of Recipients	3,955	19	131	176	1,748	4,029
Dollars per Recipients	$1,066.70	$1,083.37	$ 968.40	$ 938.41	$1,081.47	$ 992.88
Percent of Financial Aid	30%	.15%	1%	55%	14%	100%

Source: Financial Assistance to Students in Institutions of Higher Education, 1982-83

Table VI

Results of Talent Search Project at M-DCC

YEAR	FEDERAL FUNDING	NUMBER OF STUDENTS	HIGH SCHOOL GRADUATES	COLLEGE PLACEMENT	EMPLOYED ARMED FORCES MARRIED	COLLEGE RETENTION
1970-71	40,000	350	278 / 79%	238 / 86%	40	238 / 100%
1971-72	32,780	1,024	651 / 64%	439 / 67%	212	398 / 91%
1972-73	35,500	1,158	864 / 75%	703 / 81%	161	586 / 83%
1973-74	45,716	1,193	424 / 36%	386 / 91%	38	376 / 97%
1974-75	46,216	1,464	898 / 61%	786 / 88%	112	705 / 90%
1975-76	46,105	1,014	685 / 68%	649 / 95%	37	523 / 81%
1976-77	43,000	1,109	609 / 55%	524 / 86%	85	478 / 91%
1977-78	54,494	1,063	579 / 54%	483 / 83%	96	403 / 83%
1978-79	65,000	1,098	469 / 43%	409 / 87%	60	348 / 85%
1979-80	69,600	1,137	734 / 65%	476 / 65%	258	421 / 88%
1980-81	69,818	1,035	483 / 47%	278 / 58%	137	189 / 70%
1981-82	72,610	1,028	445 / 43%	388 / 87%	57	N/A
1982-83	76,240	1,254	668 / 55%	482 / 70%	204	N/A
1983-84	76,240	1,029	580 / 52%	436 / 82%	94	N/A
1984-85	79,290	N/A	N/A	N/A	N/A	N/A
TOTAL	$852,609	14,956	8,367 / 56%	6,677 / 80%	1,591	4,665 / 70%

Source: Miami-Dade North Campus Talent Search Project Report: Board Report - 1985

Table VI reveals that of approximately 14,956 students served, approximately 8,367 or 56 percent graduated from high school and 1,591 reported employed, married or placement in the armed forces.

The most significant figures are those shown for college placement and retention. Of the 8,367 students graduating from high school, 6,677 or 80 percent attended college. The College persistence rate shows a striking 70 percent! A total of $8.5 million dollars of student financial aid were expended for the enrolled students during the 15 years of program operation. The average student aid grant was approximately $1,268 - well below the maximum grant for each fiscal year since the enactment of the federal student financial aid program. These students have more than paid back their share of the federal grants in tax dollars resulting from their gainful employment.

The federal student financial aid program is one of the American people's best investments in future economic growth of the country.

IMPACTS OF THE REAGAN BUDGET CUTS

The impact of the Reagan budget cuts will have a ripple effect upon both access, choice, and the quality of higher education during a period when the nation's educational institutions are at "risk".

As a result of the policies of the current Administration during the last four years, the value of student assistance has been substantially eroded. A Pell Grant, which goes to the lowest income students, paid for about half of the average cost of attending a college in 1979-80. It now pays for only a little more than a quarter of the cost.

The proportion of federal aid received by students in the form of loans has dramatically increased while the proportion received through grants has declined. As the value of aid decreases, the remaining aid in the form of loans, creates a generation of student debtors. Although these are critical issues which the President's budget should address, it proposes instead a 27 percent of $2.51 billion reduction in programs of higher education. All of this reduction, except for $100 million, is centered on the programs of student financial assistance.

Present delays in the student financial aid schedule, as a result of the current budget debates, have already created a perception that federal aid is being dramatically cut. As in the past, this will cause many disadvantaged students to alter their plans and not continue their education.

The Administration would have us believe that it is expanding educational opportunities for poorer students, when in fact it seeks to exclude disadvantaged students from educational opportunities. This is accomplished by three proposals:

- All independent students under the age of 22 are excluded from eligibility for federal student aid programs;
- All students without a high school diploma or a GED, even if they have the ability to benefit from a post-secondary educational program, are excluded; and
- All students are required to ante up $800 out-of-pocket before qualifying for federal aid.

These proposals seem to be advocating a return to the economic segregation in American higher education - when the poor either did not go to school or went to only low-cost public schools and the affluent attended higher-priced and frequently more prestigious private institutions.

There is also a significant impact on institutions and the economy from these proposals. Ironically, denying students access to higher-cost independent schools because of federal reductions will not save tax payer's money; it will simply shift the educational burden from the federal government to the states. The Higher Education Act of 1965, which provides the bulk of support to post-secondary students, contains a mosaic of federal financial assistance programs carefully and specifically crafted to meet the needs of the many and diverse populations of Americans who are unable to attain post-secondary education without assistance. This act, which is scheduled for reauthorization during the 99th Congress, contains the authorization for the various federal student financial aid programs including grants, loans, and work study as well as a host of other programs to encourage excellence and innovation of college campuses.

When the Higher Education Act was last reauthorized in 1980, a total of 35 hearings were held at which 269 witnesses testified. Similar careful analysis and evaluation of the programs and potential changes is essential to maintaining effective higher education legislation. The President's budget proposals would ignore the reauthorization process and require major structural changes in many student financial aid programs as part of the 1986 fiscal year budget. The

President would abort a process of intense study and fine tuning with the swing of a budget ax aimed only at short term savings.

It is essential to the future of higher education in this country that major structural changes are not brought about by the expediency of budget fever. As President Kenneth Ryder of Northeastern University in Boston has eloquently stated: "The future is longer than a fiscal year."

POLICY RECOMMENDATIONS

Miami-Dade Community College joins in cooperation with other colleges and associations representing the various sectors of the higher education community to encourage national policies that enhance equal access and quality education at each level of the educational hierarchy.

Within this context, Miami-Dade Community College supports the Higher Education Agenda for the 99th Congress as issued by the American Council on Education as well as the 1985 AACJC Public Policy Agenda presented by the American Association of Community and Junior Colleges. Excerpts from these agendas can be found in the appendices of this paper.

APPENDIX A

1985 priorities from the agenda of the AACJC/ACCT Joint Commission on Federal Relations at the outset of the 99th Congress:

1. Higher Education Act reauthorization. Seeking renewal and reform of the Pell Grant program, the commission urges that inequities in grant awards between dependent and independent students, and between commuting and boarding students, be eliminated. It wants home ownership, unemployment compensation, and food stamps excluded from the income tests that determine grant eligibility, and child care recognized as an allowable cost of attendance. It urges that the College work-study (CWS) program be renewed and expanded.

   Further, the commission urges increased support for Title III endownment grants; Title I reforms that lead colleges to be as responsive to working adults and part-time students as they are to full-time students; Title II expansion to innovate technology throughout the learning process (rather than support library development alone); and renewed support of cooperative education (Title VIII).

2. Making permanent Section 127 of the Internal Revenue Code, which keeps the educational assistance that employers provide to upgrade employee career skills from being taxed as if it were part of the employee's wages. H.R. 2568 (now Public Law 98-611, signed by President Reagan on October 31) restores Section 127 only through 1985.

3. Making permanent the "charitable contributions" dedication (on top of the standard deduction) for taxpayers filing federal returns on the short form. Due to expire in 1986, this 1981 law could become a major source of alumni gifts to community college foundations and endownments.

4. Securing FY 1985 funding for the new adult and high-tech training programs established by the new Carl Perkins Vocational Education Act (P.L. 98-524). This act passed after Congress had already completed its regular education funding bill for the year, so new programs can only be funded for this year through a supplemental appropriations bill early in the next Congress.

5. Amending grant programs to ensure "due process" protection for institutions in all federal audits (typified recently by those in which arbitrary and unreasonable liabilities are being imposed on colleges for student aid and veterans benefits). The House and Senate are pledged to start hearings on this issue early next year.

6. Supporting reintroduction and passage of the Bennet-Thurmond bill-Skilled Enlisted Reserve Training Act - to broaden authority of the military services to train critically needed technicians in associate degree granting institutions.

7. Supporting reintroduction and passage of the Grassley-Gibbons bill, giving donors of new equipment to post-secondary technical training the same tax incentives already accorded similar gifts to university research.

8. Pushing unemployment insurance amendments that stress "referral to training" for the jobless and limit state authority to withhold unemployment benefits from those engaged in full-time training.

APPENDIX B

1985 American Council on Education Agenda for the 99th Congress

"ACE seeks to encourage national policies that foster higher education's contributions to society and sustain the freedom and diversity that have historically nourished America's colleges and universities. The community's priorities for the 99th Congress can be summarized as follows:"

- Assuring that federal student assistance programs achieve the fullest development of the nation's human resources.
- Strengthening the research enterprise for scientific and technological advancement.
- Fostering charitable giving, research and development, and savings, for educational purposes through appropriate tax incentives.
- Renovating higher education's decaying physical plant, including laboratory instrumentation, technology, and facilities as part of the effort to rebuild the nation's infrastructure.
- Supporting categorical programs which strengthen educational quality and address important national and international purposes.
- Establishing regulatory mechanisms which provide accountability without unnecessary bureaucratic control and which minimize diversion from the central task of education.

Special Services for the Disadvantaged . . . "These programs, known as the Trio programs, provide information, counseling, and tutorial services for individuals from disadvantaged backgrounds, to encourage them to attend a post-secondary institution, and give them needed academic assistance to complete their education."

Current funding levels should be increased to promote these services to a larger percentage of eligible students.

The Humanities . . . "The most annual appropriation for the National Endownment for the Humanities has not kept pace with inflation and should be increased in keeping with its importance in undergirding humanities programs and scholarly inquiring in U.S. colleges and universities."

Adult Learners . . . "The continuing education programs under Title I of the Higher Education Act have been unfunded since 1982. The authority should be revised to encourage adult learning as a major resource in solving the nation's economic and social problems."

Post-Secondary Improvement . . . "ACE recommends a simple extension of the authority for the Funds for the Improvement of Post-Secondary Education in recognition of its important role with regard to testing worthwhile ideas and stimulating reform within the higher education community."

Science Engineering Education . . . "Besides the science instrumentation program, NSF should receive funding for projects directed explicitly to the improvement of undergraduate education in science for nonspecialists".

International Education . . . "This legislation should be revised to re-establish a clear national commitment to strengthening the international and area studies research base, stimulating the attainment of foreign language acquisition and fluency, supporting the development and maintenance of expert skills through overseas experiences, strengthening the library resource which underpin such efforts, and broadening opportunities for students at all levels for exposure to foreign language and international studies."

REFERENCES

American Association of Community and Junior Colleges, 1985 AACJC Public Policy Agenda.

American Council on Education, A Higher Education Agenda for the 99th Congress: 1985.

College Scholarship Service of the College Board - Institutional Summary Data, 1983-84, Filers.

Dymally, Mervyn M., "The Evolution of the Federal Role in Post-Secondary Education" - A presentation at NAFEO's Tenth Annual Conference, April 1, 1985 (Washington, D.C.).

Financial Assistance to Students in Institutions of Higher Education, 1983-84 Data.

Franklin, Paul L., Helping Disadvantaged Youth and Adults, Enter College: An Assessment of Two Federal Progams, College Entrance Examination Board, 1985.

Jensen, Eric L., "Student Financial Aid and Persistence in College" - Journal of Higher Education, 1981, Vol 52, No. 3.

Miami-Dade Community College - Institutional Research Report No 85-05 - Fall profile 84-85 Closing Fall Enrollment Analysis .

North Campus Talent Search Project Information - Report to Miami-Dade Board of Trustees, March, 1985.

ACKNOWLEDGEMENTS

Sandra J. Brown
Assistant to Vice President for Public Affairs
for
Research and Compilation

Betty Semet
Director of Media Relations
for
Editing

Miami-Dade is an equal access/equal opportunity community college and does not discriminate on the basis of handicap in compliance with the Rehabilitation Act, Section 504.

BEST COPY AVAILABLE

ERIC Clearinghouse for Junior Colleges
AUG 8 1985